



INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

Free Trade Agreements

Bahrain

The U.S. and Bahrain concluded a Free Trade Agreement on May 27, 2004*. Under the agreement, Bahrain will provide immediate duty-free access for U.S. agricultural exports in 98% of agricultural tariff lines. Bahrain will phase out tariffs on the remaining products within ten years. In calendar year 2003, the U.S. exported 1,225.8 MT of poultry meat worth \$1,059,000 and 219.7 MT of prepared poultry valued at \$816,000.

Central America

U.S. Trade Representative Robert B. Zoellick and Ministers of five Central American countries signed the U.S. Central American Free Trade Agreement (CAFTA) on May 28, 2004*. Negotiations began in January 2003 and agreement was reached with El Salvador, Guatemala, Honduras, and Nicaragua on December 17, 2003 and with Costa Rica on January 25, 2004. Negotiations to include the Dominican Republic began in January 2004 and concluded on March 15, 2004, however a period of Congressional consultation on that agreement* has not yet concluded. When the pact is presented to Congress, it will include all six countries. Farm goods would become duty free within 15 years of the pact taking effect. The Senate and House of Representatives must both approve the treaty before it can take effect. Ratification is not expected until after the national elections.

Background

The United States currently has FTAs with Israel, Canada and Mexico (NAFTA), Jordan, Chile and Singapore. In May the U.S. signed the U.S. - Australia Free Trade Agreement. Last month the U.S. and Panama conducted their first round of free trade negotiations, FTA negotiations with Colombia, Ecuador and Peru began in mid-May, and negotiations with Thailand are expected to begin shortly. In addition, the U.S. is negotiating with the five nations of the Southern African Customs union (SACU).

*Under the Trade Act of 2002, the Administration must notify Congress at least 90 days before signing the agreement.

Source: USTR Press Releases, Department of Commerce Foreign Trade Statistics, news wires

Russia and the EU

On June 1, Russia stopped accepting veterinary certificates from the EU, effectively suspending meat imports from the EU. Russia later extended the deadline to September 30, 2004. Moscow has insisted the EU use a uniform veterinary certificate for all 25 member states.

Currently, inspection standards are agreed upon in Brussels but individual countries issue the certificates. Moscow has pushed for Europe-wide certificates that would replace the bilateral certificates negotiated with each EU member state. One concern is exports from one country can be re-exported through another, making it difficult to identify the country of origin.

Source: news wires

Brazil's Turkey Exports, value in US\$ million, quantity in MT

Country	April 2004			April 2003		
	Val	Qty	US\$/mt	Val	Qty	US\$/mt
Germany	4,648	2,132	2,180	3,924	2,324	1,688
Netherlands	3,884	1,588	2,446	2,025	1,211	1,672
Russia	1,618	994	1,628	655	556	1,178
UK	1,240	528	2,348	1,367	797	1,715
So Africa	1,053	1,416	744	245	692	354
Italy	527	195	2,703	208	118	1,763
Bulgaria	408	416	981	57	211	270
Spain	302	130	2,323	52	24	2,167
Saudi Arabia	287	125	2,296	174	100	1,740
Benin	239	358	668	44	98	449
Switzerland	223	120	1,858	26	24	1,083
Gabon	201	354	568	74	159	465
Peru	178	236	754	54	135	400
Czech	144	72	2,000	-	-	-
Portugal	118	48	2,458	-	-	-
sub-total	15,070	8,712	1,730	8,905	6,449	1,381
Others	680	798	852	651	1,608	405
Total	15,750	9,510	1,656	9,556	8,057	1,186

Brazil Exports: Beef, Poultry and Pork

	May 03 - Apr 04		May 02 - April 03	
	Value	Quantity	Val	Qty
Beef	1,355,719	661,316	861,889	515,154
Processed Beef	390,256	190,515	321,460	168,620
Chicken	1,921,964	1,959,596	1,423,872	1,802,940
Processed Chicken	92,824	39,961	72,879	31,032
Turkey	181,472	118,465	112,993	95,337
Pork	555,959	446,008	471,787	469,167

Source: Brazil Ministry of Agriculture

Philippines Temporarily Lifts SSGs on Chicken Imports

In response to rising retail prices of dressed chicken, the Philippine Department of Agriculture (DA) has announced that it would temporarily lift the special safeguard (SSG) on chicken meat imports. The DA will now allow the importation of some 10,000 MT of chicken in excess of the Minimum Access Volume of 22,968 MT.

The special importation will be administered on a first-come-first-served basis. Local traders would be allowed to first bring in 5,000 MT of chicken from June to August. If the shortfall continues, an additional 5,000 MT would be allowed from September until the end of the year. Only 66 containers would be allowed to enter the country per month and each trader is entitled to a maximum of 20 containers.

In 2003, the Philippines imported about \$9 million worth of chicken meat, mostly leg quarters, from the U.S. The U.S. supplies nearly half of all Philippine chicken imports and Canada supplies about 40%.

Source: USDA/FAS

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending May 29, 2004		Year-To-Date		
TYPE	2004	2003 /1	2004	2003
LIQUID	354	161	3,688	5,839
FROZEN	11	0	11	63
DRIED	40	0	278	217
TOTAL	405	161	3,977	6,119

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending May 29, 2004		Year-To-Date		
TYPE	2004	2003 /1	2004	2003
LIQUID	118	136	2,012	2,168
FROZEN	9	38	639	1,400
DRIED	0	80	1,259	640
TOTAL	127	254	3,910	4,208

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending May 29, 2004		Year-To-Date		
TYPE	2004	2003 /1	2004	2003
JUMBO	17	30	163	211
EXTRA LARGE	810	500	11,837	6,500
LARGE	2,590	2,950	32,523	30,266
MEDIUM	1,470	690	27,690	23,722
UNGRADED	14,810	1,440	120,382	21,486
MISC	0	0	12,044	3,432
TOTAL	19,697	5,610	204,639	85,617

/1 Comparable Week, to-date figures may not total due to rounding.

Data Source: Agriculture Canada, Poultry Development Division.

Source: USDA/AMS Poultry Programs, Market News Branch.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 29-May-04
(PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,403	1,382	2,785
LAST WEEK	1,472	1,365	2,837
SAME WEEK YR AGO	1,369	1,217	2,586
TO-DATE/2004	27,670	26,920	54,590
TO-DATE/2003	35,509	27,926	63,435

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	169	8	177
LAST WEEK	334	8	342
SAME WEEK YR AGO	58	0	58
TO-DATE/2004	5,022	69	5,091
TO-DATE/2003	5,364	64	5,428

Source: Agriculture Canada, Poultry Development Division

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,572	1,390	2,962
LAST WEEK	1,806	1,373	3,179
SAME WEEK YR AGO	1,427	1,217	2,644
TO-DATE/2004	32,692	26,989	59,681
TO-DATE/2003	40,873	27,990	68,863

Source: USDA/AMS Poultry Programs, Market News Branch

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

June 04, 2004				
CHICKEN		PRICES	VOLUME	
		(Cents per Pound)		

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

June 04, 2004				
CHICKEN		PRICES	VOLUME	
		(Cents per Pound)		

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	17.00	81,600	-
WTD AVERAGE		17.00		
15-20%				
RANGE	13.75-18.50	11.50-17.50	4,838,800	3,553,600
WTD AVERAGE	17.15	15.30		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

June 04, 2004				
CHICKEN		PRICES	VOLUME	
		(Cents per Pound)		

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

June 04, 2004				
CHICKEN		PRICES	VOLUME	
		(Cents per Pound)		

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	13.50-16.00	16.00-17.00	1,240,000	572,000
WTD AVERAGE	14.97	16.40		
15-20%				
RANGE	16.00-19.00	12.75-17.50	3,018,800	2,042,000
WTD AVERAGE	17.67	16.03		
20% OR MORE				
RANGE	-	12.00	160,000	-
WTD AVERAGE		12.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF JUNE 04, 2004.

The market tone on tom bulk parts was steady to fully steady on 2-joint wings, steady to barely steady on drums and necks, full-cut wings steady to instances weak. Demand light to fair, best on drums and necks at the lower trending price levels. Offerings of tom 2-joint wings light, balance of tom bulk parts available and held with varied degrees of confidence. The white meat market continued steady to fully steady on fresh, frozen was mixed on tom breast meat with the balance steady at best. Trade sentiment steady to fully steady on 4-8 lb. breasts with trading noted on Grade A's at 97 delivered September. Trading centered on a moderate volume of tom drums for export, balance light to fair. For domestic: frozen young hen breast meat without tenderloins 156 shipping point, fresh Grade A 9-11 lb. WOGs 70, fresh scapula 104-113, fresh breast trim 117-122 cents delivered. Frozen mature thigh meat traded at 65 cents shipping point for export.

FRIDAY, JUNE 04, 2004

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	31.00-33.00		31.77	520	32.00	640
WINGS FULL-CUT - TOMS		R	35.00	40	35.00	40
WINGS, V-TYPE, TOM						
TAILS	34.00		34.00	40	34.00	40
MECHANICALLY SEPARATED 2/	31.00		31.00	200	31.00	200
THIGH MEAT - FROZEN	66.50-73.00		69.75	208	69.13	888

THURSDAY, JUNE 03, 2004

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	33.00		33.00	120
WINGS FULL-CUT - TOMS	35.00		35.00	40
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	66.00-72.00		68.03	472

WEDNESDAY, JUNE 02, 2004

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	31.92	240
WINGS FULL-CUT - TOMS		R	39.00	40
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	71.00		71.00	208

TUESDAY, JUNE 01, 2004

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	31.92	240
WINGS FULL-CUT - TOMS		R	39.00	40
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		R	74.25	80

MONDAY, MAY 31, 2004

NO EXPORT TRADING REPORTED DUE TO THE OBSERVANCE OF MEMORIAL DAY

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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